IDC MarketScape

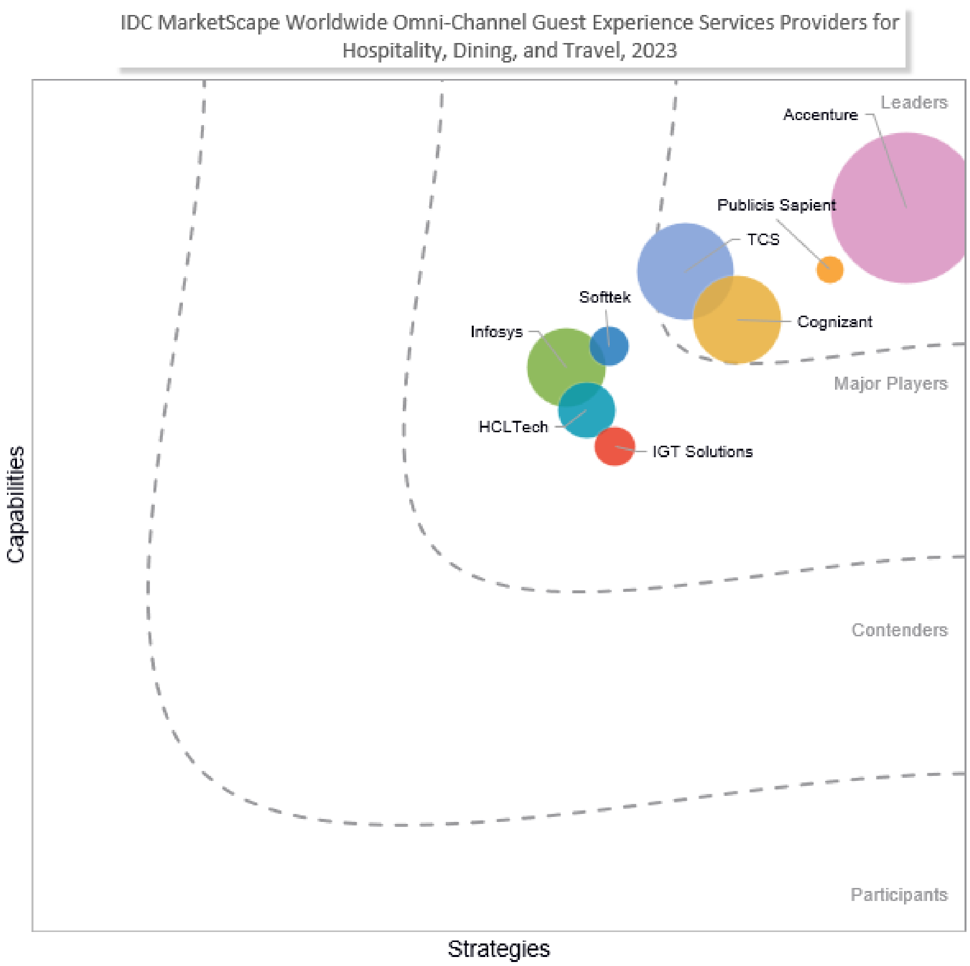
IDC MarketScape: Worldwide Omni-Channel Guest Experience Services Providers for Hospitality, Dining, and Travel 2023 Vendor Assessment

Dorothy Creamer

THIS IDC MARKETSCAPE EXCERPT FEATURES ACCENTURE

IDC MARKETSCAPE FIGURE

IDC MarketScape Worldwide Omni-Channel Guest Experience Services Providers for Hospitality, Dining, and Travel Vendor Assessment



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

December 2023, IDC #US49531823e

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Omni-Channel Guest Experience Services Providers for Hospitality, Dining, and Travel 2023 Vendor Assessment (Doc # US49531823). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Today's travelers and diners are increasingly reliant upon digital channels to conduct all manner of interactions with brands. From ordering food to booking flights, checking rewards or flight status, reserving rooms and tables, or requesting service, the guest journey is punctuated more and more with online touch points. This shift to digital first requires hospitality and travel brands to increase their reliance on and aptitude in omni-channel capabilities to maintain a competitive edge. Creating and sustaining frictionless journeys is paramount to improve experiences for not only guests but also employees, both vital strategic objectives for the travel and dining sectors. The path to frictionless experiences requires a solid foundation to support operations across digital and physical channels. Hotels, travel operators, and restaurants recognize the need for flexible ecosystems to allow them to apply and integrate complex technology into legacy systems — a particular challenge for hospitality and travel organizations.

Beyond the basic technological infrastructure required to implement successful omni-channel strategies, hospitality and travel operators often struggle to implement and adapt to new technologies quickly and effectively. Customizing legacy platforms to the latest innovations and guest experience trends presents an obstacle for enterprises that are simultaneously struggling with staffing and talent shortages.

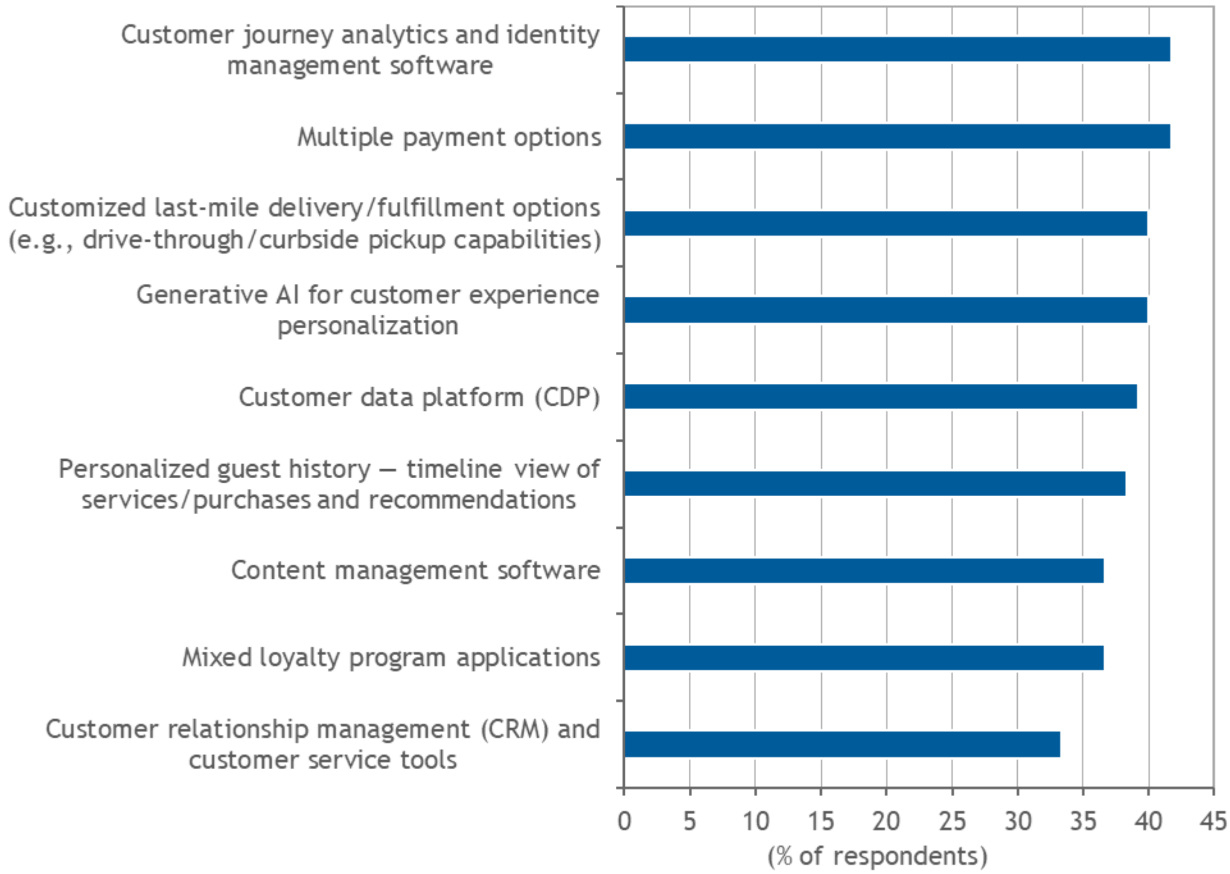
Innovation initiatives must focus on the abilities of hospitality and travel providers to be able to offer services seamlessly across channels while leveraging advanced digital and data-driven capabilities to ensure frictionless guest journeys. Hotels, restaurants, and airlines are all increasingly dependent upon mobile and digital touch points to drive loyalty, customer lifetime value, and guest satisfaction.

Hospitality and travel organizations are looking to improve omni-channel guest experiences to remain competitive. Guest and traveler interactions must seamlessly bridge the physical and digital environments, requiring increased consideration for consistent connectivity, systems integrations, and ubiquitous application of and access to guest data and analytics. The shift to contactless services, driven in part by the COVID-19 pandemic, has resulted in guests expecting and demanding a higher level of efficient and mobile services that are contextualized and accept multiple forms of payment. Hospitality and travel operators recognize this and have identified specific technology areas that they plan to implement as a part of omni-channel guest experience strategies by 2026 (see Figure 2).

FIGURE 2

Plans to Implement Omni-Channel Guest Experience Strategy by 2026

Q. What technologies does your company plan to implement as part of an omni-channel guest experience strategy by 2026?



n = 120 for hotels and restaurants

Source: IDC's *Global Retail Survey,* July 2023

To navigate the complexities of implementing omni-channel strategies, travel and hospitality organizations are eager to focus on building innovation in 2023. According to IDC's January 2023 *Future Enterprise Resiliency and Spending Survey, Wave 12,* almost half of the hospitality and travel organizations (48%) plan to reduce the "run" portions of IT budgets to fund new initiatives while reducing complexities and inefficiencies.

Viewing the hospitality and travel landscape through the lens of business challenges illustrates what organizations feel they are lacking. Internally, hospitality organizations struggle to address automation, with more than a third (35%) saying that it is insufficient across the enterprise. Next, executives admit to struggling with a lack of visibility into operational and customer data (source: IDC's *Global Retail Survey,* July 2023; n = 120). The same survey reveals that hospitality operators recognize that they need to address external pressures including difficulty selecting innovation partners (43%), addressing increasingly complex regulatory requirements (42%), and an influx of more nimble competitors (38%).

Juxtaposed with the challenges facing the hospitality/travel industries and omni-channel objectives, IDC data also bears out that hospitality and travel enterprises plan to increase services spending in 2023. To this point, the survey also reveals that 2023 spending would increase compared with 2022 levels in the following areas: business services (57%), IT consulting and implementation (50%), IT support services (53%), and application modernization and cloud migration services (56%). This trajectory continues in IDC's *Global Retail Survey* as the executives of top areas plan to increase IT spending on managed services (43%) and services providers (35%), following increased investment only in infrastructure.

This IDC MarketScape distills the former factors and key trends into the following areas that hospitality and travel are looking to address. Solutions to these issues are key differentiators for services providers offering omni-channel guest experience services and solutions for hospitality and travel organizations:

- **Mobile-minded consumers and employees:** More hospitality and travel organizations are prioritizing mobile capabilities to improve guest and employee experiences. Services providers are working with hospitality and travel firms to ensure that tech-driven interactions are intuitive as much for the guest as the employee.
- **Convergence of digital channels:** With increasing dependence on mobile, guests are booking and ordering more through online channels and expecting mobile payment capabilities in person as well. Integrated point-of-sale (POS) solutions are critical to offer seamless online, offline, mobile, and social media experiences. Unified POS systems will be a key factor for operators that want to ensure frictionless experience for guests from ordering to payment.
- **Embedded automation:** Enabling intelligent operations through automation and data is a top priority for hospitality and travel organizations. The shift in hospitality and travel organizations' sentiment regarding automation strategies mirrors the severity of the labor crisis and is becoming increasingly prevalent in hospitality and travel omni-channel guest experience strategies. Automating check-in processes, in-flight services, and restaurant ordering appeal to guests that appreciate convenience and speed. Hospitality operators require automation to increase operational efficiencies without degrading experience. By applying automation to business processes, hospitality and travel operators expect to return focus to high-touch, bespoke experiences to differentiate from the competition.
- **Hyper-personalization:** To maximize value and experience of digital-first interactions, hospitality and travel organizations are leaning into data rich. Travelers and diners have new expectations and become frustrated more easily. To counteract this, brands want to be armed with data and analytics to be able to seamlessly present the best contextualized offerings and solutions to guests at any stage of the journey. Travel and hospitality organizations are increasingly seeking out solutions with embedded artificial intelligence (AI) and ML capabilities to offer personalized experiences as well as value-driven digital solutions such as capabilities to seamlessly provide protection or solutions for travelers when things go wrong along the journey — such as flight cancellations and the need to rebook quickly and easily.
- **New business models to drive revenue:** Omni-channel strategies are directly tied to increasing revenue for hospitality and travel organizations. Services providers are expected to deliver new or expanded avenues to increase sales through digital applications. Services providers are aware of the need for enhancing existing sales and interaction channels with upsell capabilities or adding new revenue channels.

- **Solving the loyalty dilemma:** Many mobile and online interactions with guests are tied to loyalty strategies that are ineffective. Hospitality and travel providers are seeking ways to reimagine what loyalty means and how to restructure rewards to drive customer lifetime value. Revamping loyalty programs will require integration of external and internal systems to engage guests and automate business processes around customer engagement for employees.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

In this IDC MarketScape, IDC Retail Insights assesses the capabilities and strategies of selected enterprise services providers in serving the specific needs of hospitality and travel companies worldwide across industry segments. The hospitality and travel sector includes hotels, casinos, resorts, airlines, cruise lines, travel booking companies, car rental, transportation, and restaurants across segments (i.e., fast casual, full service, and QSRs).

To be included in this study, the IDC analyst stipulated that services providers should meet the following minimum criteria:

- The vendor has an established reputation offering omni-channel guest experience services in hospitality, travel, and dining industries.
- The vendor supports clients in designing, developing, installing, configuring, and maintaining point-of-sale systems to support omni-channel experiences in hospitality, travel, and dining environments.
- The vendor has experience designing, developing, installing, configuring, and maintaining digital experiences for guests, diners, and/or travelers.
- 25% of the overall company business must be represented by a combination of hospitality, travel, and/or dining.
- The provider must demonstrate evidence of strong market penetration through direct presence and knowledge of the U.S., EMEA, and Asia/Pacific business context.
- The provider is able to support global hospitality, dining, and travel providers in their activities and expansion across mature and emerging markets.

Services providers should provide specific capabilities in designing and managing organizational change and implementation and supporting the evolution of omni-channel digital guest experiences (see the Market Definition section).

Services providers are evaluated according to their capabilities in business consulting (strategy, operational improvement, finance and accounting, governance, risk, and compliance), IT consulting (IT strategy and IT operations), systems integration, network consulting and integration, custom application development, outsourcing services (BPO), application management, IT outsourcing, support and training services, and software deployment and support around the delivery of omni-channel guest experience solutions. The provision of the services listed previously should constitute the core business of the assessed organizations.

ADVICE FOR TECHNOLOGY BUYERS

- **Note the importance of digital to data first:** To achieve effective omni-channel strategies, data visibility is paramount. Lack of real-time access to insights is a key inhibitor of omni-channel experiences. Analytics from multiple sources through integrated systems will help drive personalization and ensure that guest experiences are frictionless while providing operators with valuable insight into potential operational issues.
- **Embed sustainability into omni-channel:** Omni-channel features should be an extension of hospitality and travel brand's broader sustainability initiatives. Guest-facing channels and interactions will be key to achieving green goals, by allowing guests to make selections based on sustainability features. It will also be important for operators to have the ability to report on sustainability-related outcomes, not only to meet and track ESG goals but also to share with guests and travelers.
- **Consider the entire partnership ecosystem:** Hospitality and travel organizations should evaluate services providers against the extent of partnerships across established technology providers, emerging players, and industry-specific solutions. Industry-focused technology will add a depth of understanding and strengthen omni-channel strategies with a hospitality/travel focus. Consider how committed providers are to investing in research and development (R&D) for hospitality and travel units as well as to what extent they collaborate and partner with hospitality/travel industry associations, technology start-ups, and universities to foster new ideas and innovations.
- **Combine innovation mindset with business processes:** Consider services providers that can couple an innovation-rich road map (particularly applying AI/analytics, data, mobile, and cloud/edge capabilities) with proven track record in change management and business process improvement.
- **Prioritize AI everywhere, all at once:** With the fervor around generative AI (GenAI) gripping all industries, operators should place priority on achieving better personalization and engaging guest experiences through AI-enhanced omni-channel capabilities. Services providers should present how they are offering AI-enhanced capabilities to improve guest experiences with predictive, intuitive, and personalized experiences.
- **Make agility a must-have:** As the technology landscape continues to evolve, so too do traveler expectations. Hospitality and travel organizations must be able to innovate and iterate rapidly to remain competitive. A top external challenge named by hospitality operators is the pressure from nimble competitors. Services providers with proven capabilities in designing and implementing application programming interface (API) and microservices-based architectures will be able to facilitate rapid innovation implementations and support third-party integrations for operators that wish to take a best-of-breed approach.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Accenture

Accenture is positioned in the Leaders category in this 2023 IDC MarketScape for the worldwide omni-channel guest experience services providers for hospitality, dining, and travel.

Note: The assessment and scoring in this study for Accenture are based on IDC's evaluation of available data and information obtained from Accenture's website, documentation, case studies, webinars, blogs, forums, discussions, and other publicly available sources.

Accenture Travel is unique with its blend of end-to-end innovation and digital transformation services coupled with industry expertise supported by 5,000+ travel-focused staff based in all major global travel markets. The company strives to offer industry-specific innovation through its robust catalog of innovative solutions and strategies that are all supported and informed by Accenture's access to aviation- and hospitality-specific data. Fostering collaboration and innovation across its 11 global innovation centers, travel hubs, and delivery centers, Accenture Travel is also fortified by key ecosystem relationships that are at the center of travel's broad ecosystem. Travel and hospitality organizations have complex technology environments, and Accenture has key partnerships across those ecosystems that are dependent on legacy infrastructure as well as new, nimble innovations to customize technology to address industry trends. These partnerships span both cloud and enterprise platform providers such as AWS, Google, and Microsoft, as well as industry platforms including Oracle, SAP, Pega, and Amadeus.

Accenture also distinguishes itself by having client partnerships across all segments of the travel and hospitality industry. The company has worked with well-established hospitality companies over the past three years as well as cruise lines, casinos, and airlines.

Accenture continues to invest in the hospitality/travel market with specific data/feedback from industry sources to help clients be relevant today while preparing for the future. Accenture brings to the table a deep understanding of other industries that helps with travelers' more "liquid expectations," meaning how guest expectations for ease and convenience are being set in other industries, such as retail, and they expect similar experiences and capabilities with travel booking. Accenture offers a robust solutions catalog and has demonstrated strength and a unique approach to the concept of retail in travel, focusing on revenue diversification and identifying new sources of revenue for brands. Accenture's Net New Revenue Platform (NNRP) allows travel organizations to reimagine guest interactions while increasing revenue from newly created marketplaces. NNRP works with non-fungible token (NFT) technology and combines the digital and physical worlds by letting people turn NFTs into real-life experiences.

Accenture offers a full range of services for omni-channel projects, with its strategic emphasis on the importance of data and empowered workforce while heeding the importance of helping travelers along a digital journey, even when something goes wrong. Accenture sees data as a key driver to growth and offers travel and hospitality organizations support to leverage data to focus on direct channels that foster proactive sales along the entire guest journey, including "noncore" customers. Accenture offers comprehensive support in retailization of travel to help organizations diversify business, enhance customer loyalty, and boost conversation rates by optimizing pricing and booking experiences. Accenture has helped travel and hospitality clients with data-driven projects to build new digital platforms and optimize interactions with guests.

Accenture demonstrates a strong commitment to innovation and thought leadership through its R&D investments, including $3 billion investment over three years in its data and AI practice as well as 38 strategic acquisitions in 2022, Customer Innovation Network with 5,000+ practitioners across 35 countries, 150+ innovation centers, and strategic partnership relationships.

Strengths

- Accenture shows strength in its ability to synergize business processes with desired outcomes. Clients express appreciation for the company's understanding of operations and capabilities to improve guest experiences through digital channels while driving revenue.
- Accenture is seen as a true innovation partner, with high satisfaction ratings from customers for its deep and ongoing commitment to innovation through strategic R&D investments and acquisitions as well as its large and growing network of innovation centers and labs. Accenture's focus on next-gen technologies also enables the company to bring new initiatives to clients such as NFT, metaverse, and sustainable travel to improve digital guest experiences across owned and third-party channels.
- Accenture is well positioned to help hospitality and travel clients continue cloud deployments having invested $3 billion into cloud-first capabilities and continuing co-innovation with SAP and Oracle and partnerships with AWS, Microsoft Azure, and Google Cloud.

Challenges

The main weakness of Accenture is most often in its pricing, as its offerings can be considered more costly to execute. Customer feedback describes high levels of satisfaction with innovation outcomes, but a desire for more pricing options or flexibility.

Consider Accenture When

Accenture's offerings can match the needs of larger hospitality and travel clients with digital transformation projects that need to address a wide range of potential guest interaction channels. Accenture offers expertise and advanced capabilities for projects that need to be global in scale and that are more transformative and often complex, involving next-generation innovation.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Note: All numbers in this document may not be exact due to rounding.

Market Definition

This IDC MarketScape represents an assessment of worldwide services providers that offer digital guest experience services. This research is a quantitative and qualitative analysis of the strategies and capabilities offered by services providers, with a particular focus on services providers that offer expertise for enabling innovative omni-channel experiences in hotels, restaurants, and travel environments including airlines, cruise lines, transit, and car rental. Omni-channel guest experience is inclusive of guest engagement and experience through, but not limited to, mobile apps, online experiences, and in-store/on-property digital touch points such as kiosks and digital menu boards. Omni-channel services encompass traditional POS functions and payment acceptance as well as new functionalities in order to enable hyper-personalization through automation and AI-embedded capabilities. This IDC MarketScape examines the market for global services providers that offer services for hospitality, dining, and travel operators to optimize implementation and management of omni-channel digital guest experience solutions.

LEARN MORE

Related Research

- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2023: Experiential Hospitality, Dining, and Travel* (IDC #US49910623, August 2023)
- *IDC Survey Spotlight: Challenges in Hospitality and Dining Drive Increased Investment in Managed Services* (IDC #US49228623, August 2023)
- *IDC PeerScape: Best Practices to Personalize Digital CX in Hospitality and Travel* (IDC #US47777622, June 2023)
- *IDC Market Glance: AI and Automation in Hospitality, Dining, and Travel, 2Q23* (IDC #US50715723, May 2023)
- *IDC Survey Spotlight: AI and Data Drive Edge Investments in Hospitality and Travel* (IDC #US49228423, May 2023)
- *AI Investments Increase in Hospitality and Travel to Achieve Business Objectives* (IDC #US50477523, March 2023)
- *Innovation Trends at NRF 2023 Highlight How Digital Dependency Must Drive Digital Differentiation* (IDC #US50413523, March 2023)
- *Hospitality, Travel, and Dining Become Cloud-First Organizations to Address Challenges, Innovate, and Drive Revenue* (IDC #US49910523, February 2023)
- *IDC MarketScape: Worldwide Hospitality Property Management Systems 2022 Vendor Assessment* (IDC #US48098122, November 2022)

Synopsis

This IDC study assesses the capabilities and strategies of global services providers with a range of offerings for omni-channel guest experiences in the hospitality, dining, and travel sectors. Key to this evaluation is assessing how IT buyers perceive the effectiveness of omni-channel digital guest experience services in addressing the quickly evolving needs of hospitality and travel organizations while providing measurable business benefits. This study gauges the strategy and capabilities of services providers to offer scalable innovation to support hospitality and travel operators' ongoing digital guest experience efforts across an array of sales and customer support channels.

"The tides have shifted for hospitality and travel operators as omni-channel and digital-first strategies are paramount for guest services and overall experience. With this sea change has come increased need for hotel, restaurant, and travel operators to seek partnership with services providers to maintain competitive advantage and support scalable innovation to blend physical and digital guest experiences that drive customer lifetime value," says Dorothy Creamer, research manager, Hospitality and Travel Digital Transformation Strategies at IDC. "Services providers with established commitment to digital-first innovation that blend an understanding of the unique needs of hospitality and travel are able to provide seamless and engaging cross-channel journeys for travelers and diners while driving efficiency and revenue for operators."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com